

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6029

BILL NUMBER: HB 1694

DATE PREPARED: Nov 20, 2000

BILL AMENDED:

SUBJECT: Dual license plates.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Bureau of Motor Vehicles (BMV) to issue two license plates for all vehicles other than motorcycles, trailers, yard trailers, and semitrailers. It requires that license plates be displayed on the front and rear of a vehicle if two license plates have been issued for the vehicle. The bill makes conforming changes in related statutes.

Effective Date: January 1, 2002.

Explanation of State Expenditures: For the Bureau of Motor Vehicles, there may be start-up costs associated with the delivery of the additional plates to the 167 license branches throughout the state. There will also be additional mailing costs for the second plate. The current mailing cost for one plate is \$1.31. The additional cost from mailing two plates is approximately \$1.14. The BMV mails about 1.15 million plates per year. The increase in annual postage is estimated to be **\$1.31 M**. The fund affected is the Motor Vehicle Highway Account. It is likely that there will also be computer changes and other costs related to the issuance of two license plates.

There will also be a cost for the additional plates and stickers. Prison Enterprise Network (PEN Products), the manufacturing and sales arm of prison-made items, will charge the BMV \$3.90 for two identical license plates. (Currently, PEN Products charges the BMV \$2.60 for one plate, a difference of \$1.30 per plate.) Based on calendar year 1999 registrations, there are approximately 4.91 million vehicles that would require two license plates. This would result in an increased cost to the state of approximately **\$6.38 M**. The fund affected for the BMV is the Motor Vehicle Highway Account. The fund affected for PEN Products is the PEN Products Revolving Fund.

Explanation of State Revenues: The bill allows the BMV to set by rule an additional fee to register a vehicle with two license plates. The fee is to reimburse the cost of issuing two license plates for a vehicle. The additional fee may not exceed \$3. Assuming a fee of \$3 per registration and 4.91 million vehicles, the maximum revenue that can be generated by the fee is estimated to be **\$14.73 M**. The fund affected is the

Motor Vehicle Highway Account.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction (PEN Products).

Local Agencies Affected:

Information Sources: BMV budget and registration data; Becky Gillam, Director of Sales and Marketing for PEN Products, 387-8580.